

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 757 - SB 1361**

March 11, 2023

**SUMMARY OF BILL:** Requires the Division of TennCare (Division) to reimburse an in-network dental service at a rate no less than the national median fee for that dental service according to the most recent survey of national dental fees by the American Dental Association's (ADA) Health Policy Institute, or a successor survey. Authorizes the Division to reimburse out-of-network dental services, subject to copayment or deductible requirements that may apply to the recipient.

**FISCAL IMPACT:**

**Increase State Expenditures - \$73,448,100/FY23-24 and Subsequent Years**

**Increase Federal Expenditures - \$139,352,400/FY23-24 and Subsequent Years**

Assumptions:

- The proposed legislation would require the Division to reimburse in-network dental services at an established national median rate.
- Based on the difference between current rates for TennCare's children's dental programs and the median rates in the latest national ADA fee survey, there will be an estimated increase in expenditures of \$145,881,187 to reimburse children's dental services at the required rate.
- The Division began offering adult dental benefits on January 1, 2023. Based on the amount of budgeted dental claims in calendar year 2023 and the median rates in the latest national ADA fee survey, there will be an estimated increase in expenditures of \$66,919,345 to reimburse adult dental services at the required rate.
- The total recurring increase in expenditures is estimated to be \$212,800,532 (\$145,881,187 + \$66,919,345) in FY23-24 and subsequent years.
- Medicaid expenditures receive matching funds at a rate of 65.485 percent federal funds to 34.515 percent state funds. Of this amount \$73,448,104 (\$212,800,532 x 34.515%) will be in state funds and \$139,352,428 (\$212,800,532 x 65.485%) will be in federal funds for FY23-24 and subsequent years.
- Authorizing the Division to reimburse out-of-network dental services, subject to copayment or deductible requirements, is not estimated to have a significant impact on the Division.

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## **IMPACT TO COMMERCE:**

### **Increase Business Revenue - \$212,800,500/FY23-24 and Subsequent Years**

#### Assumptions:

- Dental service providers will experience an increase in revenue of \$212,800,532 in FY23-24 and subsequent years for services provided.
- The proposed legislation deals with reimbursement rates and will not increase the number of dental service providers; therefore, any impact on jobs is estimated to be not significant.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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